

# REPORT BY THE AUDITOR GENERAL OF CALIFORNIA

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## CALIFORNIA STATE UNIVERSITY AND COLLEGES: TUITION RATE AND ADMISSION PRACTICES FOR NONRESIDENT STUDENTS NEED REASSESSMENT

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The California State University and Colleges (CSUC) enrolled approximately 14,000 nonresident students in the fall of 1979. However, because nonresident tuition is not sufficient to reimburse the State for the cost of educating additional students, the General Fund subsidized the education of nonresident students by about \$7 million. Additionally, the CSUC has not effectively administered the installment payment plan, through which nonresidents from foreign countries are allowed to pay tuition. And although state law gives California residents admission priority, the CSUC admits some nonresident students to instructional programs filled to capacity, possibly denying admission to some resident students.

In view of these findings, we made recommendations to alter the procedures for setting nonresident tuition, to increase tuition collections, and to strengthen admissions policies and procedures. We have also included matters for legislative consideration in each of these areas.

REPORT OF THE  
OFFICE OF THE AUDITOR GENERAL  
TO THE  
JOINT LEGISLATIVE AUDIT COMMITTEE

037

CALIFORNIA STATE UNIVERSITY AND COLLEGES:  
TUITION RATE AND ADMISSION PRACTICES  
FOR NONRESIDENT STUDENTS NEED REASSESSMENT

APRIL 1981



# California Legislature

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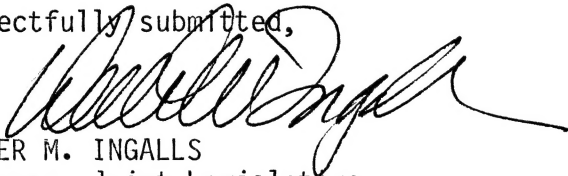
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The Honorable Speaker of the Assembly  
The Honorable President pro Tempore of the Senate  
The Honorable Members of the Senate and the  
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's report concerning the California State University and Colleges and its need to reassess the tuition rate and admission practices for nonresident students. Specifically, the report indicates a need for CSUC to alter the procedures for setting nonresident tuition and to increase tuition collections. Additionally, the report identifies areas in which the CSUC can strengthen nonresident admission policies and procedures. We have included matters for legislative consideration in each of these areas.

Respectfully submitted,

  
WALTER M. INGALLS  
Chairman, Joint Legislative  
Audit Committee

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## SUMMARY

We have reviewed the tuition rate and admission policies for nonresident students entering the California State University and Colleges (CSUC).<sup>\*</sup> Historically, California residents have attended the state university and colleges without paying tuition since most of the funding is derived from the State's General Fund. Nonresidents, who are admitted to enrich the educational environment for all students, are required to pay tuition.

Our review indicated that the CSUC does not recover General Fund costs resulting from the enrollment of nonresident students. This has resulted because the current nonresident tuition rate does not reflect all costs. Also, the CSUC assesses the tuition of nonresidents based on an academic workload of up to 15 units per term; thus, any units attempted over the maximum are financed by the General Fund. Because of these conditions, the General Fund may subsidize nonresidents' education in academic year 1980-81 by about \$7 million.

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<sup>\*</sup> In this report, the CSUC is used to collectively refer to the Board of Trustees, the Chancellor's Office, and the campuses.

Further, the CSUC has underestimated the amount of nonresident tuition it collects each year which results in inflated General Fund appropriations.

In addition, we found that the CSUC has ineffectively administered the installment payment plan, through which nonresidents from foreign countries pay their tuition. For example, the CSUC has not required students to make installment payments when due since it has inconsistently enforced payment policy. Furthermore, the CSUC has not reviewed or adjusted the service charge covering the costs of administering this plan. It has also allowed some students to defer registration fees as well as tuition. As a result, the CSUC does not recover all costs and tuition from nonresidents participating in the installment plan.

Finally, other conditions relate to impacted or oversubscribed instructional programs, those in which student demand exceeds the limited resources of the campuses. Although state law gives California residents admission priority, the campuses admit some nonresidents into impacted or oversubscribed programs at both the undergraduate and graduate levels. Consequently, some California residents may be denied admission into these programs.

In view of these findings, we made several recommendations to alter the method for setting the nonresident tuition rate, to increase tuition collections, and to strengthen admission policies and procedures. We have also included matters for legislative consideration in each of these areas.



## INTRODUCTION

In response to a request by the Joint Legislative Audit Committee, the Office of the Auditor General has examined the California State University and Colleges' tuition rate and admission practices for nonresident students. This review was conducted under the authority vested in the Auditor General by Sections 10527 and 10528 of the Government Code.

### Background

The Donahoe Higher Education Act of 1960 consolidated the California state colleges into one system under the administration of the Board of Trustees and its chief executive officer, the Chancellor. In 1972, the system was renamed the California State University and Colleges (CSUC). Today it comprises 19 campuses with an enrollment of over 306,000. The primary function of the CSUC is to provide undergraduate and graduate instruction through the master's level. Doctoral degrees are awarded jointly with the University of California or with private institutions.

Although California residents have admission priority to the CSUC, nonresidents are admitted to enrich the educational environment for all students. There are two

categories of nonresident students--residents of other states and residents of foreign countries. Both types of nonresident students must meet certain admission requirements; specifically, they must attain set standards for grade point averages and test scores.

Certain conditions differentiate nonresident students from residents. Since residents have admission priority, nonresident students usually are not admitted into academic programs for which the applications of qualified residents exceed total spaces available. Nonresident students must also pay tuition for their education along with the student service fees that all students pay. Additionally, foreign students must demonstrate proficiency in the English language as well as certify their ability to pay educational costs.

In the fall term 1979, approximately 14,000 nonresident students were enrolled in the CSUC. Of this number, which represents about 5 percent of the total enrollment, approximately two-thirds were residents of other countries; the rest were residents from other states. Appendix A details the number of nonresident students attending each campus during the 1979-80 academic year. During that year, the CSUC collected over \$18 million in nonresident tuition.

### Scope of Review

In conducting this audit, we reviewed the CSUC's method for developing its nonresident tuition rate. Specifically, we assessed the variable costs associated with the enrollment of nonresident students. We also evaluated the installment payment plan which allows foreign students to defer paying their tuition. Finally, we reviewed and measured the extent to which nonresidents are admitted into academic programs that have more qualified resident applicants than space available.

During our audit, we also reviewed the CSUC's policies and procedures, examined data, and interviewed administrative staff at these nine campuses which represent approximately 75 percent of the systemwide nonresident population:

- California State University, Fresno
- California State University, Long Beach
- California State University, Los Angeles
- California State University, Northridge
- California State University, Sacramento
- San Diego State University
- San Francisco State University
- San Jose State University
- California Polytechnic State University,  
San Luis Obispo.

## AUDIT RESULTS

### ALL COSTS ASSOCIATED WITH NONRESIDENT STUDENT ENROLLMENT ARE NOT RECOVERED

The California State University and Colleges (CSUC) does not recover all General Fund costs resulting from the attendance of nonresident students. This has resulted because the CSUC's nonresident tuition rate does not reflect all costs generated by the enrollment of nonresidents. Further, the CSUC assesses the tuition of nonresidents based upon a maximum academic workload of 15 units per term even though it allows students to enroll in more than 15 units. Because of this policy, the General Fund bears all costs associated with additional units attempted by students. Our audit disclosed that as a result of these conditions, the General Fund may subsidize nonresident students' education by about \$7 million during academic year 1980-81. Also, in its budget proposals, the CSUC has underestimated the amount of nonresident tuition it collects each year. The nonresident tuition estimate is used to reduce the amount of General Fund support for the CSUC. Because the nonresident tuition estimate is understated, General Fund appropriations are inflated.

## The CSUC Budget Process

The CSUC develops its budget using over 440 formulas. Some of these formulas result in fixed budgeted items for each campus. For example, each campus is allowed one president. However, most of the formulas are based on variables such as student academic workloads, levels of student enrollment, or square footage of campus buildings. These formulas result in differing budget allocations among the campuses.

Many formulas are based on a measurement of student workload known as full-time equivalent students (FTES). One annual FTES equals 30 semester units or 45 quarter units. For example, the CSUC applies FTES-based formulas to determine the number of faculty positions each campus is allotted; for approximately 18 FTES, a campus receives one faculty position. Furthermore, through another formula, each full-time faculty position generates .22 of a technical/clerical position. Thus, changes in enrollment and the corresponding increase or decrease in units attempted directly affect the CSUC budget.

In developing its budget, the CSUC also estimates the amount of reimbursements it will receive from such sources as application fees, student service fees, and nonresident tuition. These reimbursement estimates are used to reduce the amount of General Fund resources required for the coming fiscal

year. Consequently, the larger the reimbursement, the smaller the amount required from the General Fund for operation of the CSUC.

The CSUC develops its General Fund budget support by using approximately 354 of the over 440 budget formulas. The remaining formulas are used to compute other reimbursement categories.

Nonresident Tuition Does Not Include  
All Costs of Nonresident Enrollment

The CSUC's methodology for computing nonresident tuition does not include all costs generated by the enrollment or academic workloads of nonresident students. More specifically, the CSUC does not consider all the enrollment and FTES formulas in developing the tuition rate for nonresidents. As a result, this tuition rate does not enable the CSUC to reimburse the General Fund for all costs stemming from nonresidents' enrollment and academic workloads.

Sections 68050 and 89705 of the California Education Code require the CSUC to charge nonresident students tuition. Although the code specifies a minimum charge of \$360 per year, the Board of Trustees determines the actual amount to be charged. The methodology for setting tuition is prescribed in Section 41901, Title V of the California Administrative Code.

This section requires that the CSUC calculate the tuition fee by first deducting from its regular instructional program budget amount the costs of instructional administration and instructional supplies and services financed from the student service fee. This amount is then divided by the number of FTES to yield the tuition rate for nonresident students.

The nonresident tuition rate, as computed above, does not include the costs of administration but rather includes only those costs directly related to the average teaching expense per student. This methodology reflects the CSUC's position that some costs continue without regard to the addition or deletion of students in the system. Included in these costs are expenditures for audio visual services and salaries of administrative personnel. Also categorized as support are costs for such budget items as libraries and computing services. However, some budget costs within these and other program categories are generated from student enrollment and from FTES.

As stated earlier, the CSUC develops its General Fund budget support by using approximately 354 formulas that are based primarily on student enrollment and FTES. In fact, these variables form the basis of 189 or 42 percent of the formulas. But the CSUC uses only 56 of the 354 formulas in its methodology for calculating the nonresident tuition rate. As

a result, the tuition rate does not recover all costs to the General Fund generated by enrollment or academic workloads of nonresident students.

The CSUC computed the 1980-81 nonresident tuition to be \$2,160 by using the 56 formulas in developing the nonresident tuition rate. Had the CSUC taken into account all 189 formulas affected by enrollment or FTES, the nonresident tuition would have totaled \$2,790 for the same period. By applying the higher tuition rate, the CSUC could have increased reimbursements by approximately \$6.5 million for fiscal year 1980-81 assuming the same level of nonresident student enrollment.

#### Nonresident Students Do Not Pay for All Units Attempted

Another factor preventing the CSUC from recovering General Fund costs associated with nonresident student enrollment is that it does not assess tuition for student workload exceeding the maximum of 15 units. That is, the CSUC allows nonresident students to attempt over 15 units of course work per term, yet it bases the tuition rate for these students on a maximum of 15 units. As a result, the General Fund pays for any additional units attempted.



The CSUC trustees annually set a nonresident tuition rate per academic unit based on a maximum of 15 units per term. The rate for the 1980-81 academic year is \$72 per semester unit and \$48 per quarter unit. The rate for any nonresident student cannot exceed \$2,160. This maximum, however, may encourage students to take excessive academic workloads. For example, in one term, a nonresident student paid tuition for 15 units but enrolled in 48 course units. Because the CSUC did not collect tuition for the units over 15, the General Fund financed two-thirds of this student's course work.

There were nonresident students attempting over 15 units per term at each campus in our review. Although data for the full 1980-81 academic year is unavailable, statistics for the fall term indicate that nonresident students in the nine campuses reviewed did not pay tuition for over 7,000 course units. The total tuition owing for these units would have exceeded \$490,000.\* Moreover, during the 1979-80 academic year, nonresidents enrolled in almost 14,000 course units above the maximum 15 unit workload. Based upon the tuition rate for that year, the CSUC did not collect approximately \$763,000 in nonresident tuition.\* These amounts are understated since, as

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\* These reimbursements are based on the assumption that even if a policy of charging tuition for all units attempted were established, nonresidents would not reduce their academic requirements for graduation. However, these reimbursements may be collected in more than one fiscal year.

reported earlier, the CSUC tuition rate does not reflect all variable costs of nonresident student enrollment.

#### Budgeted Reimbursements

The CSUC has historically underestimated the tuition reimbursement it collects. Since the amount of tuition reimbursements reduces the General Fund support required for the ensuing fiscal year, these inaccurate estimates have resulted in inflated General Fund appropriations in the Budget Act. The CSUC directs this excess revenue into other budget areas subject to Department of Finance approval.

To calculate annual proposals for General Fund support, the CSUC reduces its total budgetary needs by the amount of nonresident tuition it anticipates collecting. It estimates these tuition reimbursements by adjusting enrollment data from prior terms to reflect anticipated increases and decreases in campus registration. The CSUC is concerned that an increase in the nonresident tuition rate will result in a decrease in the level of enrollment. Enrollment trends, however, show the contrary. Nonresident student enrollment has continued to increase along with the tuition rate. Table 1 on the following page illustrates these corresponding increases.

TABLE 1  
 CALIFORNIA STATE UNIVERSITY AND COLLEGES  
 INCREASES IN TUITION AND  
 NONRESIDENT FULL-TIME EQUIVALENT STUDENTS (FTES)  
FOR ACADEMIC YEAR 1972-73 THROUGH 1980-81

<u>Academic Year</u>	<u>Tuition</u>	<u>Percentage Tuition Increase from Prior Year</u>	<u>Estimated Nonresident FTES</u>	<u>Percentage FTES Increase from Prior Year</u>
1972-73	\$1,110	--	5,057	--
1973-74	\$1,300 <sup>a</sup>	17%	5,324	5%
1974-75	\$1,300	0%	5,797	9%
1975-76	\$1,300	0%	6,245	8%
1976-77	\$1,440	11%	6,517	4%
1977-78	\$1,575	9%	7,555	16%
1978-79	\$1,710	9%	8,519	13%
1979-80	\$1,800	5%	10,011	18%
1980-81	\$2,160	20%	10,344 <sup>b</sup>	3%

<sup>a</sup> Tuition changed midyear from \$1,110 to \$1,300.

<sup>b</sup> This represents a midyear estimate by the Chancellor's Office.

As demonstrated for academic year 1980-81, even when tuition costs rose 20 percent, we calculate that the enrollment of nonresidents will increase by at least 3 percent.

Because it underestimates nonresident enrollment each year, the CSUC consistently generates more reimbursements than it budgets. In the past eight years, the CSUC has underestimated nonresident tuition reimbursements by approximately \$15.5 million. Specifically, for fiscal year 1979-80, these excess reimbursements totaled approximately \$3.2 million. Table 2 summarizes the nonresident tuition budget amounts and the actual reimbursements for fiscal years 1972-73 through 1979-80.

TABLE 2  
CALIFORNIA STATE UNIVERSITY AND COLLEGES  
BUDGETED AND ACTUAL NONRESIDENT TUITION REIMBURSEMENTS  
FOR FISCAL YEARS 1972-73 THROUGH 1979-80

<u>Fiscal Year</u>	<u>Reimbursements</u>		<u>Underbudgeted Amount</u>	<u>Percentage Underbudgeted</u>
	<u>Final Budget</u>	<u>Actual</u>		
1972-73	\$ 5,305,445	\$ 5,613,223	\$ 307,778	6%
1973-74	4,358,659	6,498,213	2,139,554	49
1974-75	5,337,800	7,535,841	2,198,041	41
1975-76	6,626,100	8,118,411	1,492,311	23
1976-77	8,311,680	9,384,728	1,073,048	13
1977-78	9,245,250	11,898,580	2,653,330	29
1978-79	12,141,000	14,567,326	2,426,326	20
1979-80	<u>14,763,600</u>	<u>18,018,987</u>	<u>3,255,387</u>	22
Total	<u>\$66,089,534</u>	<u>\$81,635,309</u>	<u>\$15,545,775</u>	
Average				24%

Budget Act language for fiscal year 1979-80 and subsequent years requires the CSUC to return excess budget reimbursements to the General Fund unless it obtains expenditure approval from the Department of Finance. Section 2 of the Budget Act language states:

Reimbursements in excess of the amount budgeted for nonresident tuition shall revert to the General Fund, unless authorized for expenditure by the Department of Finance with written notification to the Joint Legislative Budget Committee and the committee in each house which considers appropriations.

The trustees' support budget for fiscal years 1976-77 through 1979-80 restricted the CSUC with similar language. Prior to these years, the CSUC did not need authorization to spend the excess reimbursements; however, CSUC officials stated that they reported expenditures of excess reimbursements to these entities.

Upon approval by the Department of Finance, the CSUC redirects excess revenue from nonresident tuition into other budget areas, funding some costs already in its budget and provided for in General Fund appropriations. For example, since fiscal year 1977-78, the Department of Finance has approved eight requests to spend excess reimbursements. For fiscal year 1979-80 alone, the Department of Finance approved

the CSUC's requests to spend approximately \$2.5 million in reimbursements on equipment replacement, application fee deficits, fire damage, and partial costs of its early retirement program. In prior years, the CSUC spent the excess on utility deficits and on special maintenance repairs.

### CONCLUSION

The California State University and Colleges does not recover sufficient funds to reimburse the General Fund for all costs associated with the enrollment of nonresident students. Specifically, the trustees' nonresident tuition rate policy does not reimburse costs generated from the enrollment or academic workloads of nonresidents. The CSUC also does not assess nonresident tuition for course work in excess of the maximum 15 units. Because of these conditions, the General Fund may subsidize the education of nonresident students by about \$7 million during academic year 1980-81. Finally, the CSUC underestimates the tuition reimbursement it collects from nonresident students.

## RECOMMENDATION

To ensure that the CSUC recovers variable costs of educating nonresident students, we recommend that it consider adopting policies to:

- Ensure that the nonresident tuition rate reflects variable costs to the General Fund for nonresident students; and
- Require nonresident students to pay tuition based upon total units of workload.

We further recommend that the CSUC develop procedures to predict nonresident tuition reimbursements more accurately in budget proposals.

## MATTERS FOR CONSIDERATION BY THE LEGISLATURE

If the CSUC does not implement these recommendations, the Legislature: (1) should consider whether nonresident students should reimburse the General Fund for all the costs of education, including the full costs of administration, and (2) should also consider modifying the Budget Act language to require all nonresident tuition in excess of the amount budgeted to revert to the General Fund.

ADMINISTRATION OF THE INSTALLMENT  
PAYMENT PLAN FOR NONRESIDENT  
STUDENTS NEEDS IMPROVEMENT

The CSUC has ineffectively administered the installment payment plan, which allows foreign students to pay portions of their tuition obligations throughout the term rather than make full payment at the time of registration as is required of other nonresident students. To be specific, the CSUC has not always required students to make installment payments when due because it has inconsistently enforced payment policy. Furthermore, the CSUC has not reviewed or adjusted the service charge covering the cost of administering the installment plan. Finally, it has allowed students to defer fees as well as tuition. Because the CSUC's administration of the installment plan is ineffective, it does not recover all costs and tuition from nonresident students enrolled in this plan.

History of the  
Installment Payment Plan

From fiscal year 1962-63 through 1970-71, the tuition rate for the two types of nonresident students differed. Although the tuition for students from other states ranged from \$360 to \$890 for most of those years, the tuition for foreign students was fixed at only \$255. In 1970, the Coordinating Council for Higher Education recommended that the trustees of



the CSUC charge all nonresident students the same tuition rate. The trustees adopted this recommendation and increased the tuition rate for both types of nonresidents to \$1,110, effective for academic year 1971-72.

Following this action, the trustees requested legislation authorizing deferral of tuition payments for foreign students unable to meet the sudden increase in tuition expenses. Authorization for this deferral expired in 1974, but the Legislature extended it in 1975. Section 89707.5 of the Education Code provides for payments on an installment basis throughout the academic term. Depending upon the campus attended, a foreign student can pay tuition in either three equal installments per semester or two equal installments per quarter. Procedures for implementing installment payments are included in the University and Colleges' Administrative Manual (UCAM) and in the CSUC Business Affairs Memoranda.

Admissions and business office personnel on six campuses stated that students from other states and their parents have requested use of the installment payment plan instead of paying nonresident tuition in one lump sum. However, the trustees, in attempting to assist foreign students in meeting tuition payments in 1972, did not extend this plan to nonresidents from other states.

As a condition of admission to the United States, the Immigration and Naturalization Service and the CSUC require foreign students to certify their ability and responsibility to pay for educational and living expenses. However, foreign students frequently enter into installment plan agreements with the CSUC. For the campuses we reviewed, the CSUC administered almost 3,700 installment agreements during academic year 1979-80 and fall term 1980. During the fall term of 1980, approximately 1,223 of the 7,767 nonresident foreign students on these campuses (16 percent) participated in the installment payment plan.

During our review, we found that the CSUC does not appropriately administer the installment payment plan. We found the following conditions at some or all campuses visited:

- The CSUC has not required students to make installment payments when due;
- The CSUC has not periodically adjusted the service charge for administering the plan;
- The CSUC has allowed students to defer fees as well as tuition.

Students Not Required to Make  
Installment Payments When Due

The CSUC has not ensured that foreign students pay installment payments within specified timeframes. Although Title V of the California Administrative Code and the memorandums issued by the Chancellor's Office authorize campuses to withhold services from students with unpaid debts or to disenroll students, some campuses do not consistently implement these procedures.\* For example, some campuses we visited allow students with outstanding obligations to register for subsequent terms; another carries delinquent student payments as university obligations. Still other campuses use disenrollment procedures, but fail to apply them early in the term. This inconsistent implementation of disenrollment policy may affect the timeliness of student payments. Because of these conditions, the CSUC does not recover all costs and tuition incurred from students using the installment plan.

Section 42381 of Title V of the California Administrative Code authorizes campuses to withhold services or prohibit registration of students with unpaid obligations or debts to the CSUC. Chancellor's memorandums regarding unpaid

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\* Disenrollment refers to campus administrative action that cancels a student's enrollment from the campus. If a student is absent more than one semester or two quarters, the campus may require the student to reapply for admission.

installments stipulate that campuses may completely disenroll students with delinquent payments. The campuses may delete the records for the delinquent student's work during the term and thereby eliminate the student's tuition obligation from accounting records. Campuses may partially disenroll students by reducing the student's workload to the number of units paid for rather than cancelling enrollment completely.

Administration of the installment plan varies from campus to campus. At all the campuses in our review, students sign deferment contracts when they register for classes. The contracts specify terms of the agreement, the amount of tuition, the service charges, and the payment dates. Students may defer the total amount of tuition due at registration. In Appendix B, we present the number of students using the installment plan on the campuses we visited.

We found that over half the students who use the installment payment plan either pay the balance of their obligations on the first payment or pay their installments on a timely basis. However, as of December 1980, approximately 11 percent of the students enrolled in the plan during academic year 1979-80 had outstanding balances on the agreements. Outstanding tuition payments for the 1979-80 academic year at the nine campuses we reviewed totaled approximately \$130,000.

Further, at least 29 percent of the installment agreements in academic year 1979-80 were not paid on time. Appendix C summarizes the payment history of students using the installment plan during academic year 1979-80.

Although each campus has the authority to withhold campus services from students with outstanding obligations, seven campuses we visited allow these students to register for subsequent terms. Additionally, these campuses permit students to use the installment plan again and thus defer a subsequent term's tuition. In one instance, a campus allowed a student to register and defer tuition obligations in three consecutive terms even though his payments on previous obligations were late and one obligation was still outstanding.

All campuses in our review have installment agreements with outstanding balances. Eight of these campuses have disenrollment policies to cancel students' enrollment. However, the ninth campus does not disenroll students, but rather carries the debts on the university obligation and billing system. As of January 1981, the outstanding obligation for nonresident tuition at this campus totaled almost \$55,000. According to the accounting supervisor, this figure represents only part of the uncollected obligations since at intervals the campus administratively removes these debts by requesting a

relief of accountability from the State Board of Control. As a result of our review, the campus is eliminating this procedure and is implementing a procedure of disenrollment.

Further, campuses that implement the disenrollment policy fail to apply it consistently. The Chancellor's policy discussed previously does not require campuses to disenroll students before the end of the term. As a result, three of the eight campuses with disenrollment policies do not disenroll students until after the final installment payment is due. One of those campuses disenrolls students after the term ends or during the next term. Three of the eight campuses do not implement their disenrollment policies. Because campuses do not disenroll early in the term or when payments become delinquent, they incur costs from student attendance that they do not recover.

The inconsistent implementation of the disenrollment policy appears to affect the timeliness of student payments. For example, one campus that administered approximately 500 installment agreements in the 1979-80 academic year disenrolls or partially disenrolls students if their installments are delinquent for one week. Only two percent of the students using the plan on this campus failed to pay on time during that academic year. Also, in the same period, this campus disenrolled or partially disenrolled approximately 25 students

per term. In contrast, another campus that administered a similar number of agreements in the 1979-80 academic year does not implement its policy for disenrollment of students. For this same period, approximately 94 percent of the students attending that campus were delinquent in payments; their outstanding balances totaled almost \$70,000.

#### The CSUC Does Not Adjust Payment Plan Service Charge

The CSUC does not review or adjust the service charge which defrays the costs of administering the installment payment plan. Also, some campuses do not assess service fees for certain deferred nonresident tuition obligations. As a result, the CSUC cannot assure that the installment payment plan for deferred tuition payments by foreign students is self-supporting.

Section 41901.5 of Title V of the California Administrative Code requires that students pay a service charge sufficient to cover the costs of administering the installment payment plan. In 1975, the Chancellor implemented UCAM Business Affairs Section 3901 which established a 10 percent service charge for each installment deferral. According to a Chancellor's Office official, the CSUC established the rate based on cost estimates supplied by campus business managers.

The Chancellor has not reviewed the cost of administration or adjusted the service charge to reflect these costs since implementation in 1975.

Although we could not determine from available data whether the service charge was sufficient to cover the costs of the plan, business staff at some campuses believe that this rate may not allow campuses to recover full administrative costs. As an example, one business officer estimated conservatively that administrative costs for academic year 1979-80 totaled approximately \$11,250. This officer collected approximately \$7,200 in service charges for that period.

At least four campuses in our review allow foreign students to defer tuition obligations without assessing a service charge. At one of these campuses, the number of foreign students not assessed service charges for deferring tuition in the fall term 1980 was five times greater than the number of students assessed the service charge. Because the CSUC does not adjust the service charge to keep pace with administrative costs and because campuses do not collect service charges for all deferred tuition, the installment payment plan may not be self-supporting.



Students Allowed to Defer  
Registration Fees

Education Code Section 89707.5 and Section BA 3901 of the University and Colleges' Administrative Manual require nonresident students to pay all registration fees at the time of registration. Despite these requirements, the CSUC has inappropriately allowed some students to defer payment of registration fees as well as nonresident tuition. As a result, certain campuses offer nonresident students payment schedules that do not comply with the Education Code.

In academic year 1979-80 and in fall term 1980, three of the nine campuses we reviewed deferred 434 student fee obligations along with nonresident tuition obligations. Generally, the deferrals at two of these campuses were exceptions. However, a certain policy at the third campus allows all nonresidents using the installment plan to defer their fees. The campus administration was aware of the Education Code violation. The administration chose to allow the fee deferral, however, to assist foreign students who had financial difficulties resulting from political turmoil in their home countries.

## CONCLUSION

The installment payment plan is designed to be self-supporting. But because the CSUC has ineffectively administered the plan, students enrolled in it do not finance its cost. Specifically, the CSUC has not required students to make installment payments when due, has not periodically adjusted the service charge for administering the plan, and has permitted nonresident students to defer registration fees as well as tuition.

## RECOMMENDATION

To ensure that the installment payment plan is self-supporting, we recommend that the CSUC implement procedures to:

- Promptly disenroll students with outstanding obligations;
- Ensure recovery of service charges sufficient to finance the cost of the plan;
- Comply with provisions of the Education Code that allow deferral of tuition only.

MATTERS FOR CONSIDERATION  
BY THE LEGISLATURE

The installment payment plan was originated to alleviate the hardship on foreign students when their tuition rate was dramatically increased in 1972. Because payment of nonresident tuition in the CSUC may also create hardships for nonresident U.S. citizens, the Legislature may wish to consider extending the installment payment plan to these nonresident students.

NONRESIDENT STUDENTS ARE  
ADMITTED INTO IMPACTED AND  
OVERSUBSCRIBED PROGRAMS

Certain instructional programs within the CSUC receive more student applications than can be accommodated; these programs are referred to as impacted or oversubscribed.\* Our audit disclosed that even though state law gives admission priority to California residents, campuses are admitting some nonresident students into impacted and oversubscribed academic programs at both the undergraduate and graduate levels of instruction. As a result, some California residents may be denied entry into these programs.

The Chancellor designates academic programs as impacted when historical data shows that the campus receives more qualified applications for that program in the first month of the filing period than it can accommodate. These programs usually require personalized instruction or specialized resources. As an example, the Chancellor has indicated that the telecommunications and film study major offered at San Diego State University is impacted since student demand for this program exceeds available resources.

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\* In this report, oversubscribed is defined as a condition where more qualified applicants apply for a program after the first month of the application filing period than can be accommodated.

If the same program is impacted on every campus where it is offered, the Chancellor designates it as impacted systemwide. For academic year 1979-80, the Chancellor identified eight undergraduate programs as impacted systemwide. Included in this list are architecture, basic nursing, and physical therapy. It is important to note that students disallowed from entering a locally impacted program on one campus may be directed to that same program offered by other campuses in the system. But in the case of programs impacted systemwide, students cannot be redirected since all campuses have reached their capacity.

Unlike impacted programs, oversubscribed programs are not designated as such by the Chancellor. For these programs, campus officials establish application deadlines which fall after the initial filing period but before the next term begins. Both resident and nonresident students are admitted to oversubscribed programs until the programs are filled.

Both the California Education Code and the California Administrative Code outline admission priorities for the CSUC. Sections 66200 and 66201 of the California Education Code state that all qualified California youths and residents of California should be given the opportunity to enroll in an institution of higher education. In addition, Education Code

Section 66202 assigns the lowest priority of admission to residents of other states and foreign countries. However, the code also provides that the Chancellor and the campuses may consider the overall needs of students in maintaining a balanced program and may admit nonresidents to enrich the educational environment.

Although the Education Code grants California residents admission priority, several campuses in the CSUC are admitting some nonresidents into both locally impacted and systemwide impacted programs. Specifically, the nine campuses reviewed admitted approximately 89 nonresident students into programs and majors that the Chancellor had designated as impacted. We could not document the number of qualified resident applicants denied admission to impacted programs because most campuses do not determine a student's qualification for admission prior to redirection. Also, campuses do not maintain the records of students redirected and admitted to other campuses or allowed to reapply for alternate programs. However, admission officers at some campuses reviewed stated that because some nonresident students were allowed into these impacted programs, some California residents could have been denied admission.

Of the 89 students just mentioned, 25 nonresidents were admitted into programs designated as impacted systemwide. By admitting some nonresidents into programs that are impacted systemwide, the CSUC may deny admission to qualified resident applicants in their first choice program. These applicants cannot be redirected to other campuses.

The admission practices of California Polytechnic State University, San Luis Obispo further illustrate this situation. Most programs offered by this campus are impacted. For example, in academic year 1979-80, this University denied admission to almost 5,000 applicants whom it could not accommodate and redirected these applicants to other campuses in the system. Yet, as of the fall term 1979, this campus had admitted approximately 63 nonresident students to impacted programs; moreover, the campus had admitted three of these students into construction engineering--a systemwide impacted program.

In addition to admitting some nonresident students into impacted disciplines, campuses also allow these students into undergraduate and graduate programs that become oversubscribed. This has resulted because the CSUC has not established a systemwide policy for limiting or denying the admission of nonresident students into these programs. A further cause is that the Education Code does not specify that

residents have priority for admission into graduate programs. Because of this lack of policy, the CSUC does not give California residents admission priority to these programs.

Campuses close programs when qualified student applications ultimately exceed the number that can be accommodated. Unlike the application deadlines for impacted programs, those for oversubscribed programs can be altered as the student demand for the program increases and exceeds campus resources. Generally, the filing period for these programs is longer than the filing period for impacted programs. Further, some campuses admit qualified applicants in oversubscribed programs until the filing period closes, regardless of the applicants' residency status.

During our review of the fall term 1979, we found that three of the nine campuses admitted or enrolled 92 nonresident students into oversubscribed undergraduate programs. One campus, for example, enrolled approximately 40 nonresident students in the business administration program; other campuses enrolled about 26 nonresidents in radio-television programs. In addition, these campuses admitted 24 nonresidents to the undergraduate film program. Because the CSUC does not have a systemwide policy that gives California residents priority for admission into oversubscribed



programs, some nonresident students are admitted to limited spaces in programs to which some residents may be denied admission.

Additionally, we found that some nonresidents are admitted into graduate level programs that are oversubscribed. Although campuses are able to accommodate most graduate students who apply, some programs at the graduate level are in greater demand and become oversubscribed. Oversubscribed programs at the graduate level include social work, counseling, psychology, and business administration.

Our review of the 1979 fall term indicated that approximately 299 nonresident students were enrolled in graduate programs which were oversubscribed at six of the nine campuses reviewed. For example, 172 nonresident graduate students were enrolled in the oversubscribed business administration major. Appendix D details the number of nonresidents admitted into oversubscribed graduate majors on the nine campuses in our review.

Although the Education Code specifies priority for resident undergraduate students, the code does not address admission priority for resident graduate students. Because the

CSUC has not given priority to resident students for oversubscribed graduate level programs, campuses may deny some resident students admission to these programs.

### CONCLUSION

Some campuses of the California State University and Colleges are admitting some nonresident students into locally impacted and systemwide impacted programs, even though the California Education Code gives California students admission priority over nonresident students. In addition, some campuses also allow nonresidents into undergraduate and graduate programs that become oversubscribed. This practice has resulted because the CSUC has no systemwide policy limiting or denying nonresidents' enrollment in oversubscribed programs. Another cause is that the Education Code does not specify that California residents have admission priority for graduate level programs. As a result, some California residents may be denied admission to certain programs in the CSUC.

### RECOMMENDATION

To ensure that California residents are afforded opportunities to enroll in impacted and oversubscribed programs in the California State University and Colleges, we recommend that the CSUC:

- Develop and implement a policy for denying all nonresident students' admission into impacted programs;
- Establish a written systemwide policy, consistent with the Education Code, that gives California residents admission priority for oversubscribed academic programs.

MATTERS FOR CONSIDERATION  
BY THE LEGISLATURE

The Legislature should consider extending California residents priority for admission to graduate programs.

Respectfully submitted,

  
THOMAS W. HAYES  
Auditor General

DATE: April 23, 1981

STAFF: W. Michael Zimmerling, CPA, Audit Manager  
Thomas A. Britting  
Kathleen A. Herdell  
Glenn A. Ostapeck

# THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

BAKERSFIELD - CHICO - DOMINGUEZ HILLS - FRESNO - FULLERTON - HAYWARD - HUMBOLDT  
POMONA - SACRAMENTO - SAN BERNARDINO - SAN DIEGO - SAN FRANCISCO - SAN JOSE



LONG BEACH - LOS ANGELES - NORTHRIDGE  
SAN LUIS OBISPO - SONOMA - STANISLAUS

OFFICE OF THE CHANCELLOR  
(213) 590-5501

April 21, 1981

Mr. Thomas Hayes  
Auditor General  
925 L Street, Suite 750  
Sacramento, California 95814

Dear Mr. Hayes:

Under letter dated April 16, 1981, you have provided us a draft copy of your report, "California State University and Colleges: Tuition Rate and Admission Practices for Non-resident Students Need Reassessment." My staff and I also had the opportunity to discuss this draft with members of your staff at an exit conference April 21, 1981. Attached to this letter are detailed comments upon the draft audit report. It must be pointed out, however, that we have not had sufficient time to review the audit findings with the specific campuses audited. In this letter, let me summarize the major points made in the comments. It is my understanding that this letter along with the attachment will be included in the report when issued.

It is important to point out at the outset that policies regarding the level of fee assessment for nonresident students are established by the Board of Trustees acting within delegations provided by the Legislature. The Board of Trustees has determined which costs are used to calculate the level of non-resident tuition. That policy has resulted in annual adjustments in the level of the fee as is noted within the report. In order to meet 1981-82 budget needs, the Board currently has under consideration a proposal which will change current policy and substantially increase the fee, effective with the Fall Term 1981, to a level of \$2,835. This increase, assuming it is approved by the Board and is necessary because of the overall State Budget, will meet, in great measure, the intent of the primary recommendation of your report "that nonresident tuition rates reflect variable costs to the General Fund for nonresident students...." In addition to this pending action, we will review the policy which permits nonresident students to take more than 15 units per term without payment of additional fees.

The audit report discusses the problem of estimating nonresident enrollment and anticipated income for budget purposes. It is correct that in recent years enrollment and income have exceeded estimates, even in the face of increased fee levels. There is no accepted methodology to determine at which point a given level of nonresident tuition will cause an absolute reduction in enrollments. The major increase in nonresident tuition projected for Fall 1981 may provide some indication of that point. In past years any additional income received from nonresident tuition above the amount budgeted has in part reverted to the General Fund. In addition portions have also been used within the system with the approval of the Department of Finance under Section 2 of the Budget Act to meet emergency expenditures for underfunded or unfunded program needs. We believe that continued authorization is needed to employ prudently any annual additional revenue and is essential to the efficient operation of the CSUC system.

The second section of the audit report addresses the administration of the installment payment plan for nonresident foreign students. The current deferral program stems from action taken by the Legislature in 1975. The audit has noted that on some of the campuses surveyed there is a lack of enforcement of campus procedures established under system policies. In association with the campuses, we will review existing policies and practices concerning the administration of the deferral program and institute requirements as appropriate designed to eliminate late tuition payments and to ensure that deferrals are permitted for nonresident tuition only. We will also review the service charge rates.

The audit report raises the question of extending the installment payment plan to nonresident students from the United States as well as from foreign countries. I would agree that there appears to be an inequity, and as nonresident tuition increases within the CSUC system, the privilege of deferring payments should very possibly be widened to all nonresidents. At the same time, however, the Legislature may wish to consider the basic value of the installment payment plan itself. We will also review the need for the program.

The final section of the report concerns in part the admission of nonresident students into programs which have been declared "impacted" (i.e., when the campus receives more qualified applicants for the program in the first month of the filing period than it can accommodate). The audit, noting that a small number of nonresident students have been admitted to certain impacted programs on the campuses tested, proposes that nonresident students be denied admission to impacted programs on the presumption that they displace California residents. Under Trustee policy

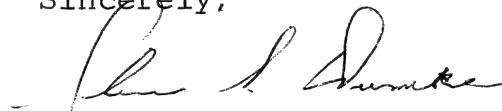
April 21, 1981

nonresidents have been permitted, at the campus' discretion, to be admitted to such programs in order to provide a greater diversity to student bodies. We will review this policy in terms of educational considerations, as well as fairness and equity to California residents.

This section also addresses the issue of programs which close to additional applications after the first month but before classes begin. The report terms these programs as "oversubscribed." The issue raised in the audit is whether or not nonresident students should be admitted to the so-called oversubscribed programs before all qualified resident students are accommodated. Under existing policy all qualified resident students are assured admission to non-impacted programs if they apply during the first month of the admissions cycle (November for admission in the subsequent fall term). Applications received after that time, whether from residents or nonresidents, are treated on a first-come, first-served basis. Since many programs do not become full until late summer, it is very difficult to design a system whereby a nonresident student can be admitted subject to cancellation should a California student wish to take his or her place. We will, however, review this question in an effort to assess the magnitude of the problem and, if it appears called for, institute additional policies designed to give maximum assurance to California residents of being admitted to the program of their choice. I must reemphasize, however, that California residents have top priority during the initial filing period. The issue is whether programs should always be open without qualification to residents who make their college-going decisions late.

Finally, the report proposes consideration of a policy to extend to California residents priority for admission to graduate programs. The issues in graduate admissions are substantively different from those relating to undergraduates since admissions requirements vary by program and by campus. In addition, there are comparatively few "oversubscribed" graduate programs. We will, however, examine this question to determine if there is a need for new guidelines.

Sincerely,



Glenn S. Dumke  
Chancellor

GSD:pfz

Attachment

cc: Dr. Claudia Hampton -39-

CSUC COMMENTS ON TUITION RATE AND ADMISSIONS  
PRACTICES FOR NONRESIDENT STUDENTS

I. All Costs Associated With Nonresident Student Enrollment Are Not Recovered

The nonresident tuition setting methodology established by the Board of Trustees and cited by the audit report has been reviewed over the years by the Department of Finance, Legislative Analyst and the Legislature. This methodology more than "reflects the CSUC's position that some costs continue without regard to the addition or deletion of students in the system". It also implements a definition of tuition contained in the Master Plan for Higher Education as follows:

Teaching expense is defined to include the cost of the salaries of the instructors involved in teaching for the proportion of their time which is concerned with instruction, plus the clerical salaries, supplies, equipment, and organized activities related to teaching.

Therefore, the costs intended to be covered by the fee are covered. The audit report states that there was a \$6.5 million General Fund subsidy in 1980/81 had the tuition rate been \$2,790 rather than \$2,160, assuming also there would be no diversion of students at that rate. This amount in fact is only the difference between what is estimated for collection, assuming the same enrollment, for each tuition rate. The State can be viewed as providing a subsidy to nonresident students to the extent of the difference between the total average cost and the nonresident tuition rate.

Estimates of nonresident FTES for budget purposes are based on past experience. Projections take into consideration the most recently available actual data for each campus. This process is made particularly difficult because estimates are necessarily made 18 months in advance and the tuition rate has been increasing rapidly in recent years. For example, it is necessary to project 1981/82 enrollment in the summer of 1980, with the most recent experience being 1979/80. When it is warranted, changes are made during the legislative hearings and are based on mid-year financial status reports. While we tend to estimate conservatively, our estimates are reviewed and modified by the Department of Finance, Legislative Analyst, and the Legislature.

The audit report states that nonresident tuition reimbursements have been understated by a total of \$15.5 million over the past eight years and implies this amount has been available for use to fund costs already provided in General Fund appropriations. In fact, it is estimated that approximately \$7.1 million of the \$15.5 million has reverted directly to the General Fund (see



Tuition Rate and Admissions Practices  
for Nonresident Students  
April 22, 1981  
Page 2

Table I). The remainder was used for other General Fund purposes that were not specifically budgeted. For example, in 1979/80 (the specific year cited in the audit report) the following table represents the use of excess nonresident tuition reimbursements that were approved by the Department of Finance:

USE OF EXCESS 1979/80 NONRESIDENT TUITION

a. Mandated savings related to Proposition 13	=	\$ 843,687
b. Application Fee deficit	=	670,598
c. Partial payment of the estimated \$12,000,000 early retirement cost (4.5%)	=	545,206
d. Repair fire damage to Chico Meats Lab Building	=	241,718
e. Replace equipment lost in fire in Humboldt Forestry Building	=	150,000
TOTAL		<hr/> \$2,451,209

Many of the above items, as well as those in previous years, would certainly be eligible for appropriation from the emergency fund. All transactions utilizing excess nonresident tuition have been and continue to be reported to the Joint Legislative Budget Committee in conjunction with budgetary and statutory language.

In the past including additional factors in the determination of the nonresident tuition rate has been considered. Most recent reviews (in connection with Propositions 13 and 9 and the 1981/82 \$10 million reduction) are prompted only because of fiscal stringencies and not as a result of a fundamental questioning of nonresident tuition policies. Should the \$10 million reduction remain in the 1981/82 budget, the Board of Trustees will be required to increase the nonresident tuition rate and thereby change the basis on which it is calculated. The rate that would be implemented would be \$2,835.

The issue of nonresident students paying for units taken in excess of 15 will be reviewed. While it is possible that this practice may encourage some students to take excess units, instituting a charge for those units may eliminate the practice. Problems in projecting the fiscal impact of such a decision in the first year or two can be anticipated.

It is our intent to improve our ability to project nonresident enrollment and therefore reimbursements from tuition in the future. Steps had already been taken prior to this audit to improve campus reporting of nonresident enrollment statistics. We expect to be able to utilize this improved reporting to develop nonresident, fee-paying enrollment predicting mechanisms.

The audit report recommends that, if CSUC does not implement its recommendations, the Legislature should consider Budget Act language requiring that all nonresident tuition in excess of the amount budgeted revert to the General Fund. This is current Budget Act language with the provision that with Department of Finance approval, and notification to the Legislature, this excess may be scheduled for expenditure. This provides adequate control. In any case, any consideration of automatic reversion should include consideration of automatic coverage of deficits (i.e. those resulting from overestimates of non-resident tuition reimbursements).

## II. Administration of the Installment Payment

Because time for adequate review of the audit report has been extremely limited, it has not been possible to investigate the findings relative to the installment payment plan. Normally we would ask the campuses involved to review the findings, conclusions and recommendations before responding to the report centrally. The auditors have offered their working papers for our review. These documents should be invaluable in investigating the possible violations of Trustee policy.

The audit report provides data on a number of instances and practices that are contrary to CSUC policies regarding the installment payment plan. As a result of these findings a careful evaluation of the program will be made. It is important to note that the audit report is citing instances of noncompliances at the campus level. It is our position that clear and adequate policies and guidelines have been issued from the Chancellor's Office to expect understanding and compliance.

The evaluation of this program will take into consideration all of the recommendations of the audit report. Further, and in contrast to the recommendation to the Legislature that the plan be extended to U.S. nonresidents, we will also seriously consider recommending termination of the payment deferral program. Since the plan is currently being utilized by a relatively small number of students and is apparently subject to substantial administrative problems, we believe its value should be assessed.

III. Nonresident Students are Admitted into Impacted and Over-subscribed Programs.

It is the practice of the CSUC that nonresidents generally are not considered for impacted programs. The report states that 89 nonresidents were enrolled in impacted programs, of whom 25 were admitted to programs which were impacted system-wide. This latter group represents less than one fourth of 1% of the 10,372 nonresident students surveyed. Each decision to admit any student to an impacted program is made on an individual basis and employs specified criteria which have been approved centrally. Based on the nature of the selection process and the small number of nonresident students involved, it is evident that the campuses exercised prudence in admitting such students, consistent with the provisions of the Education Code and Title 5. Executive Order 319 established the current guidelines for the admission of applicants to impacted programs and specifically reminds campuses that "establishment of supplementary screening criteria does not replace use of priorities and quotas." California residency is one of those priorities.

It was agreed during the exit conference, that the term "over-subscribed programs", as used within the audit report, is a construct of the audit team and not a term in use within the CSUC. The report defines "oversubscribed" programs as occurring when more qualified applicants apply for a program after the first month of the application filing period than can be accommodated. Any undergraduate program may be closed to further applications after the initial filing period (one month) when sufficient applications have been received to fill the quota set for that program. Resident and nonresident applicants have equal opportunity to apply during the open period and all who are eligible are admitted. Some programs remain open until August or September before filling. In order to process those applications and notify students in a timely manner, it would not be practicable to withhold action on all nonresident applications until all resident applications have been received and processed.

The report states that the CSUC has no policy giving priority to California residents or for limiting or denying nonresident admission to programs with established quotas. Sections 40650-1 of Title 5, and Executive Order 160 address this issue.

Concerning graduate program admissions neither the Education Code nor Title 5 includes any reference that would dictate a limitation on nonresident graduate applicants nor a priority

for resident graduate applicants. Graduate programs, by definition, are not considered as "impacted", although they may have quotas. When the established minimum standards for graduate status have been met, individual campuses select from among the best qualified applicants to fill a program.

The audit report proposes that no nonresident student should be admitted to an impacted program. However, we feel strongly that, in view of the Title 5 and Education Code concerns for both program balance and resident priority at admission, a degree of flexibility in admission policy should be continued. While there is no evidence that this flexibility has been abused, we will review CSUC policy and practice.

The system long ago determined that California residents should be given admission priority to undergraduate programs with established quotas. For some programs, however, there are no data to indicate at what point, if at all, sufficient numbers of resident applications will be received to fill those quotas. In these cases it is neither practicable administratively nor sensitive to student needs to defer the admission decision on nonresident applicants until all residents are admitted, which would be shortly before the term begins.

TABLE I  
SUMMARY  
NONRESIDENT TUITION

	<u>INITIAL BUDGET</u>	<u>BUDGET REVISION</u> <sup>(1)</sup>	<u>TOTAL BUDGET</u>	<u>ACTUAL</u>	<u>REVERTED</u>
<u>CSUC APPROVAL:</u>					
1972/73	\$ 5,305,445	\$ -192,004	\$ 5,113,441	\$ 5,613,223	\$ 499,782 <sup>(2)</sup>
1973/74	4,358,659	438,324	4,796,983	6,498,213	1,701,230 <sup>(2)</sup>
1974/75	5,337,800	550,000	5,887,800	7,535,841	1,648,041 <sup>(2)</sup>
1975/76	6,626,100	1,438,325	8,064,425	8,118,411	53,986 <sup>(2)</sup>
<u>DEPARTMENT OF FINANCE APPROVAL:</u>					
1976/77	8,311,680	-0-	8,311,680	9,384,728	1,073,048
1977/78	9,245,250	1,925,367	11,170,617	11,898,580	727,963
1978/79	12,141,000	1,854,425	13,995,425	14,567,326	571,901
1979/80	14,763,600	2,451,209	17,214,809	18,018,987	804,178
TOTAL	<u>\$66,089,534</u>	<u>\$8,465,646</u>	<u>\$74,555,180</u>	<u>\$81,635,309</u>	<u>\$7,080,129</u>

(1) Based on mid-year financial status report.

(2) Estimated.

CALIFORNIA STATE UNIVERSITY AND COLLEGES  
NONRESIDENT POPULATION BY CAMPUS  
FALL TERM 1979

<u>Campus</u>	<u>Nonresident Students</u>			<u>Total Enrollment</u>	<u>Percentage of Total Nonresident Enrollment</u>
	<u>Residents of Other States</u>	<u>Foreign Students</u>	<u>Total</u>		
Bakersfield	39	92	131	3,088	4.2%
Chico	174	445	619	13,547	4.6
Dominguez Hills	97	169	266	7,173	3.7
Fresno	117	878	995	14,819	6.7
Fullerton	264	372	636	21,997	2.9
Hayward	111	255	366	10,604	3.5
Humboldt	164	59	223	7,339	3.0
Long Beach	454	549	1,003	30,877	3.2
Los Angeles	386	1,328	1,714	22,350	7.7
Northridge	337	571	908	28,029	3.2
Pomona	299	640	939	14,896	6.3
Sacramento	364	886	1,250	21,222	5.9
San Bernardino	76	60	136	4,231	3.2
San Diego	870	828	1,698	31,933	5.3
San Francisco	356	807	1,163	23,845	4.9
San Jose	435	992	1,427	25,821	5.5
San Luis Obispo	89	125	214	15,977	1.3
Sonoma	88	81	169	5,505	3.1
Stanislaus	<u>44</u>	<u>138</u>	<u>182</u>	<u>3,548</u>	5.1
Total	<u>4,764</u>	<u>9,275</u>	<u>14,039</u>	<u>306,801</u>	
Average					4.6%

CALIFORNIA STATE UNIVERSITY AND COLLEGES  
NUMBER OF INSTALLMENT PAYMENT PLAN AGREEMENTS  
FOR SELECTED CAMPUSES REVIEWED  
ACADEMIC YEAR 1979-80 AND FALL TERM 1980

<u>Campus</u>	<u>Fall 1979</u>	<u>Winter 1980</u>	<u>Spring 1980</u>	<u>Fall 1980</u>	<u>Total</u>
Fresno	197	*	282	311	790
Long Beach	42	*	35	22	99
Los Angeles	81	234	174	161	650
Northridge	96	*	82	91	269
Sacramento	107	*	160	123	390
San Diego	66	*	111	117	294
San Francisco	197	*	201	171	569
San Jose	169	*	185	216	570
San Luis Obispo	<u>11</u>	<u>12</u>	<u>15</u>	<u>11</u>	<u>49</u>
Total	<u>966</u>	<u>246</u>	<u>1,245</u>	<u>1,223</u>	<u>3,680</u>

\* These campuses do not offer a winter quarter.

CALIFORNIA STATE UNIVERSITY AND COLLEGES  
PAYMENT HISTORY OF STUDENTS USING THE INSTALLMENT PAYMENT PLAN  
FOR SELECTED CAMPUSES REVIEWED  
ACADEMIC YEAR 1979-80

Timeliness of Installment Payments	Number of Agreements										Total	Percentage
	Fresno	Long Beach	Los Angeles	Northridge	Sacramento	San Diego	San Francisco	San Jose	San Luis Obispo			
Entire agreement prepaid	218	8	6	42	73	24	63	89	19		542	22%
Payment made according to contract due dates	200	28	24	109	79	63	214	65	8		790	32
Payment made late on one or more installments	5	24	316	11	105	3	82	153	7		706	29
Student disenrolled or partially disenrolled for nonpayment	53	0	2	15	5	19	0	0	0		94	4
Payment still outstanding	3	17	141	1	5	7	39	47	4		264	11
Payment history (fall 1979) not available	--	--	--	--	--	61	--	--	--		61	2
Total	479	77	489	178	267	177	398	354	38		2,457	100%

APPENDIX C



CALIFORNIA STATE UNIVERSITY AND COLLEGES  
NONRESIDENTS ENROLLED IN OVERSUBSCRIBED GRADUATE PROGRAMS  
FOR SELECTED CAMPUSES REVIEWED  
FALL TERM 1979

<u>Campus</u>	<u>Business</u>	<u>Psychology</u>	<u>Social Work</u>	<u>Other</u>	<u>Total</u>
Fresno	*	*	11	*	11
Long Beach	*	*	*	*	*
Los Angeles	*	*	*	*	*
Northridge	*	5	*	3	8
Sacramento	42	*	2	*	44
San Diego	56	12	18	12	98
San Francisco	66	10	5	37	118
San Jose	8	*	*	12	20
San Luis Obispo	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Total	<u>172</u>	<u>27</u>	<u>36</u>	<u>64</u>	<u>299</u>

\* Program was not oversubscribed.

cc: Members of the Legislature  
Office of the Governor  
Office of the Lieutenant Governor  
Secretary of State  
State Controller  
State Treasurer  
Legislative Analyst  
Director of Finance  
Assembly Office of Research  
Senate Office of Research  
Assembly Majority/Minority Consultants  
Senate Majority/Minority Consultants  
California State Department Heads  
Capitol Press Corps